

SENATE BILL 1016

By Bell

AN ACT to amend Tennessee Code Annotated, Title 10;  
Title 12 and Title 29.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-9-104, is amended by adding the following language as a new subsection (g):

(g) All entities formed under this chapter shall be subject to the open records law, compiled in title 10, chapter 7.

SECTION 2. Tennessee Code Annotated, Section 10-7-503, is amended by deleting subsection (d) in its entirety.

SECTION 3. Tennessee Code Annotated, Section 10-7-504, is amended by adding the following language as a new subsection (o):

(o) Actuarial tables, risk formulae, and formulae used by public agencies, risk pools, or public non-profits that provide insurance or other risk management services to public agencies or political subdivisions of the state to establish rates or premiums paid for that insurance, shall be treated as confidential and shall not be open for inspection by members of the public.

SECTION 4. Tennessee Code Annotated, Section 29-20-401(d)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following language:

(d)

(1) No special fund established by an agreement authorized under this section and under title 12, chapter 9, shall be considered as an "insurance company" nor shall any contribution of financial or administrative resources to

such a special fund be considered a “premium” or “gross premium” under title 56 for the purpose of taxation.

SECTION 5. Tennessee Code Annotated, Section 29-20-401(d), is amended by adding the following language as a new subdivision (3):

(3) The business of the special fund shall be conducted so as to preclude any distribution of income, profit or property of the special fund to the individual members thereof or to any other business entity, except in payment of claims or indemnities or upon the final dissolution of the association, but the association may pay dividends to its members as long as the association has a positive surplus both before and after any such dividend is declared.

SECTION 6. Tennessee Code Annotated, Section 29-20-401, is amended by adding the following language as new subsections thereto:

(h) The director of the department of commerce and insurance shall be authorized in accordance with its authority to regulate private insurance companies, to examine into the affairs of any special fund or association organized under the provisions of subsection (b) and may make such rules and regulations as may be necessary for the execution of his duties to regulate insurance companies.

(i) If at any time any special fund fails or refuses to pay any claim finally adjudged to be due pursuant to its articles of association and bylaws, or if the director of the department of commerce and insurance determines that the association is unable to satisfy its contractual obligations, then the director shall immediately take charge of the association, its assets and affairs, and wind up with the same as now provided by law in the case of life insurance companies.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.